

3/30/2004



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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

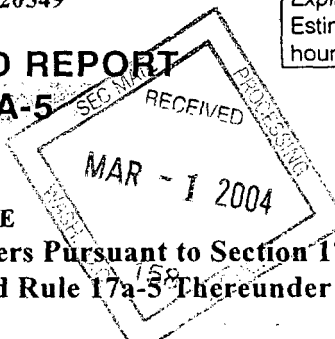
**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-38568



REPORT FOR THE PERIOD BEGINNING January 1, 2003 AND ENDING December 31, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

GABELLI FIXED INCOME DISTRIBUTORS, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

One Corporate Center

(No. and Street)

Rye

New York

10580

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Ernst & Young LLP

(Name - if individual, state last, first, middle name)

5 Times Square

New York

NY 10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 31 2004

THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

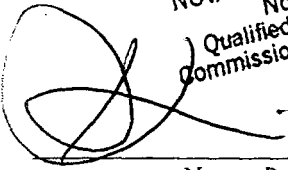
## OATH OR AFFIRMATION

I, Ronald S. Eaker, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gabelli Fixed Income Distributors, Inc., as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

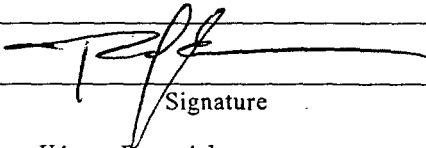
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KARYN M. NAPPI  
NOTARY PUBLIC, State of New York  
No. 01NA5078512  
Qualified in Westchester County  
Commission Expires May 7, 2005

Notary Public

  
Signature  
Vice President  
Title

This report \*\* contains (check all applicable boxes):

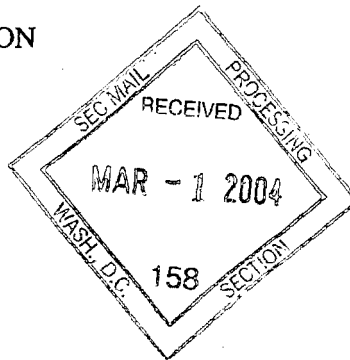
- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ x cash flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

STATEMENT OF FINANCIAL CONDITION

Gabelli Fixed Income Distributors, Inc.  
(SEC No. 8-01-38568)

For the year ended December 31, 2003  
with Report of Independent Auditors



Gabelli Fixed Income Distributors, Inc.

Statement of Financial Condition

December 31, 2003

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## Report of Independent Auditors

The Board of Directors and Stockholder  
Gabelli Fixed Income Distributors, Inc.

We have audited the accompanying statement of financial condition of Gabelli Fixed Income Distributors, Inc. (the "Company") as of December 31, 2003. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Gabelli Fixed Income Distributors, Inc. at December 31, 2003 in conformity with accounting principles generally accepted in the United States.

*Ernst & Young LLP*

February 27, 2004

Gabelli Fixed Income Distributors, Inc.

Statement of Financial Condition

December 31, 2003

**Assets**

Cash equivalents	\$ 73,773
Investments in securities, at fair value	1,815
Distribution fees receivable	<u>3,781</u>
Total assets	<u>\$ 79,369</u>

**Liabilities and stockholder's equity**

**Liabilities:**

Accrued expenses and other liabilities	\$ 7,750
Total liabilities	<u>7,750</u>

Stockholder's equity	<u>71,619</u>
Total liabilities and stockholder's equity	<u>\$ 79,369</u>

*See accompanying notes.*

## **Gabelli Fixed Income Distributors, Inc.**

### **Notes to Statement of Financial Condition**

December 31, 2003

#### **A. Organization**

Gabelli Fixed Income Distributors, Inc. (the "Company"), a Delaware corporation, is registered as a broker-dealer with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc. The Company is a limited purpose broker-dealer that exists solely for the purpose of distributing mutual fund shares. The Company is a wholly-owned subsidiary of Gabelli Fixed Income LLC (the "Parent"). The Parent is an indirect, majority-owned subsidiary of Gabelli Asset Management, Inc. ("GBL").

#### **B. Significant Accounting Policies**

##### **Cash Equivalents**

The Company generally classifies money market funds and other highly liquid investments with a maturity of three months or less as cash equivalents.

##### **Investments in Securities**

Investments in securities, consisting of private placement warrants, is carried at fair market value.

##### **Fair Values of Assets and Liabilities**

The carrying amounts of all assets and liabilities in the statement of financial condition approximate their fair values.

##### **Use of Estimates**

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and accompanying notes. Actual results could differ from those estimates.

## Gabelli Fixed Income Distributors, Inc.

### Notes to Statement of Financial Condition (continued)

#### C. Related Party Transactions

At December 31, 2003, the Company had an investment in the Gabelli U.S. Treasury Money Market Fund, a mutual fund advised by Gabelli Funds, LLC, of \$73,773, which is included in cash equivalents in the statement of financial condition.

#### D. Income Taxes

The Company accounts for income taxes under the liability method prescribed by Financial Accounting Standards Board Statement No. 109 ("FAS 109"). Under FAS 109, deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial accounting purposes and the amounts used for income tax purposes.

The Company's deferred tax asset attributable to NOL carryforwards consists of the following:

Deferred tax asset	\$ 19,926
Less valuation allowance	<u>(19,926)</u>
Net deferred tax asset	<u>\$ -</u>

In accordance with FAS 109, a 100% valuation allowance is required to offset any deferred tax asset recorded by the Company because it cannot be assured that the asset will be realized.

Gabelli Fixed Income Distributors, Inc.

Notes to Statement of Financial Condition (continued)

**E. Net Capital Requirements**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 (the "Rule") of the SEC, which specifies uniform net capital requirements for its registrants. The Company computes its net capital under the aggregate indebtedness method permitted by the Rule which requires that minimum net capital exceed 6-2/3% of aggregate indebtedness or \$5,000, whichever is greater. These requirements also provide that equity capital may not be withdrawn or cash dividends paid if certain minimum net capital requirements are not met. At December 31, 2003, the Company had net capital of \$64,548, which exceeded the SEC requirements by \$59,548.

There were no subordinated borrowings at any time during the year ended December 31, 2003.

The Parent of the Company intends to fund the Company with capital contributions to the extent necessary so the Company may continue to meet its net capital requirements.